

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB26**

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**Hearing Date:** Wednesday January 28, 2009  
**Committee On:** Revenue  
**Introducer:** Friend  
**One Liner:** Change the priority of liens for special assessments

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Adams, Cornett, Dierks, Friend, Hadley, Loudon, Utter  
**Nay:**  
**Absent:** 1 Senator White  
**Present Not Voting:**

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**Proponents:**  
Senator Mike Friend  
Paul Kratz  
Lynn Rex  
Brian Doyle

**Representing:**  
Introducer  
City of Omaha  
League of Nebraska Municipalities  
Eastern NE Development Council

**Opponents:**  
Beth Bazyn Ferrell

**Representing:**  
NE Association of County Officials

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 26 allows special assessment liens made by a city to gain equal standing, for tax foreclosure purposes, with generally levied real estate taxes.

Section 1 amends Section 14-557 and provides general municipal taxes upon real estate shall be a first lien and that special assessments regularly levied shall be a perpetual lien until paid. LB 26 amends current law to provide that such perpetual lien shall be in parity with the tax lien of general, state, county, city, village, municipal, or school taxes, and no sale of such property to enforce any general, state, county, city, village, municipal, or school tax or other liens shall extinguish the perpetual lien of such special assessment.

Section 2 amends Section 15-725 and provides special tax assessments to pay the cost of local improvements (except for sidewalk purposes) shall be a lien on all property so specially benefited. Section 2 would also provide that this special assessment lien shall be in parity with the tax lien of general, state, county, city, village, municipal, or school taxes.

Section 3 amends Section 15-733 to provide that special taxes for paying the cost of certain repairs due to refusal or neglect of street railway companies shall be a lien upon the property of such company and such lien shall be in parity with the general, state, county, city, village, municipal, or school taxes.

Section 4 amends Section 15-735 regarding special sidewalk assessments and provides the lien shall be in parity with

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the general, state, county, city, village, municipal, or school taxes.

Section 5 amends Section 15-821 and provides similar parity for special assessments on real estate.

Section 6 amends Section 15-822 and provides when a reassessment takes place regarding special assessments that such assessment as a lien upon the property shall be in parity with the general, state, county, city, village, municipal, or school taxes.

Section 7 amends Section 16-708.01 and provides that whenever a city of the first class lawfully re-annexes territory which it had formerly annexed but which annexation was illegal because the statutes were unconstitutional, and assesses or reassesses a new assessment, this assessment shall constitute a lien upon the property. The lien shall be in parity with the general, state, county, city, village, municipal, or school taxes.

Section 8 amends Section 77-208 to provide that property tax liens shall take priority over all encumbrances and liens except for special assessment perpetual liens shall have parity as well as cities and villages' special assessment liens shall have parity with tax liens of general, state, county, city, village, municipal, or school taxes.

Section 9 amends Section 77-209 and removes priority of the first lien for general taxes.

Section 10 amends Section 77-1322 to extend parity of liens to home rule charter cities.

Section 11 amends Section 77-1917.01 and provides that city and village special assessment liens shall have parity, but sanitary improvement districts special assessments liens shall remain inferior to general taxes levied by the state and its political subdivisions.

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**Explanation of amendments:**

The committee amended LB 26 by specifying that the special assessments referenced are those which are levied between the date of the tax sale through the date the tax certificate owner files the foreclosure action.

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Abbie Cornett, Chairperson